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WASHINGTON TIMES
 26 November 1986

Poindexter out, top aide fired for Iran deals

By Mary Belcher
 THE WASHINGTON TIMES

President Reagan yesterday removed the two men who oversaw his secret arms shipments to Iran, after learning only a day earlier that as much as \$30 million from the weapons sales had been diverted to anti-Sandinista resistance forces in Nicaragua.

The disclosure set off a chain reaction of comment, invective and political infighting. Charges, countercharges and denials were rampant and it was not totally understood by early today just exactly what had occurred, who was involved, where and why.

Attorney General Edwin Meese III, who briefed the press on details of the scheme, said that only National Security Adviser John Poindexter, National Security Council Deputy Director Oliver North and former National Security Adviser Robert McFarlane knew about the transfer of funds to rebel bank accounts in Switzerland.

President Reagan said Adm. Poindexter had asked to resign and would be reassigned to the Navy and that Lt. Col. North "has been relieved of his duties."

"The only persons in the United States government that knew precisely about this — the only person — was Lt. Col. North," Mr. Meese said. "Adm. Poindexter did know that something of this nature was occurring, but he did not look into it further."

Mr. Meese refused to comment on whether there should be further personnel shake-ups among the president's top advisers. He also declined to comment on Mr. Shultz, who has openly distanced himself from the president on the Iranian arms shipments.

But, Mr. Meese said, "I think anyone who is a member of the president's staff or the president's Cabinet has an

obligation either to support the policy decisions of the president or to get out."

Rumors continued to swirl through Washington last night about who in the White House knew what, and when, and why. Many of the rumors were about Don Regan, the White House chief of staff, who seemed almost conspicuous by his absence from prominent public view yesterday.

One man close to the arms-for-Iran operation told The Washington Times last night: "Don Regan was the man who eased [Robert 'Bud'] McFarlane out because he thought Bud was getting too independent, and Regan wanted to get a tighter rein himself on national-security affairs — and did."

CBS News reported last night that Secretary of State George Shultz had offered his resignation to the

president several days ago, but that it had been refused.

Mr. Meese said the president had absolutely no knowledge of the secret Contra funding until the attorney general told him Monday morning, after an investigation was launched at the president's request.

"This action raises serious questions of propriety," Mr. Reagan said as he announced the resignations.

Mr. Reagan said the preliminary findings of a Justice Department investigation begun only last Friday "led me to conclude that I was not fully informed on the nature of one of the activities undertaken in connection" with the Iranian arms shipments.

"I believe our policy goals toward Iran were well-founded," the president said, reasserting that his January decision to secretly ship arms to Iran was not a mistake.

"However, the information brought to my attention yesterday convinced me that, in one aspect, implementation of that policy was seriously flawed," he said.

Mr. Reagan, who has come under considerable fire from Congress for his rapprochement with Iran, left the podium in the White House briefing room without discussing the Nicaraguan connection.

Mr. Meese said Israel sold the U.S. weaponry to Iran at considerably more than the \$12 million paid to the Department of Defense and placed the difference in a Swiss bank account controlled by the Nicaraguan resistance.

In Jerusalem, a spokesman for Prime Minister Yitzhak Shamir said this morning that Israel did sell the arms to Iran, "according to a request by the United States," but that the money was never touched by the Israelis.

"The payment was transferred by an Iranian representative directly to a Swiss bank," said Israeli spokesman Avi Pazner, "without passing through Israel." He said Israel was "surprised" when Mr. Meese said the money had been channeled to the Contras.

Within hours, at least three congressional committees announced plans to investigate the covert operations. Although yesterday's disclosures were not expected or even rumored, the onslaught of invective was not unexpected. Democrats predictably expressed outrage over the developments; many Republicans weren't far behind.

"There is something wrong," said Sen. Robert Byrd, the Democratic leader in the Senate, "when the president doesn't know what's happening in the basement of the White House."

"This shows what can happen

when operations are conducted in such secrecy," said incoming House Speaker Jim Wright. Mr. Wright said Mr. Reagan appeared to be a president "who believes what he wants to believe" and rejects any information incompatible with his views.

Prime Minister Shamir said he hoped the United States won't blame Israel for the crisis. "I don't think there's anything to blame Israel for," he added. "It is not our policy to export arms to Iran, but sometimes there can be exceptions."

In Miami, Contra leaders denied they received any money from the Iran arms deal.

Adolfo Calero, leader of the largest rebel army and the man named as the recipient of the money, denied having anything to do with any scheme involving arms sales to Iran, Israeli middlemen or Swiss bank accounts.

"We have absolutely no knowledge of any dealing with Iran through which we would have benefited," he said in a telephone interview from his Miami headquarters.

"We never had a bank account in Switzerland. We are not involved in any of this," said Mr. Calero, the head of the Nicaraguan Democratic Force (FDN).

"I sure would like to have \$10 million, \$20 million or \$30 million, but we don't," he said. The rebels received only "a trickle of money" this year, he said, estimating the total at between \$300,000 and \$500,000 in addition to humanitarian aid approved by Congress.

Mr. Calero denied that any money had come from Israel or Israeli citizens to help the Contras' cause.

A State Department official said it is not implausible that Mr. Calero did not know where the money came from.

Manuel Cordero, counsel for the Nicaraguan Embassy in Washington, said, "We feel that this situation reflects a tendency in the administration that in pursuit of its wrongheaded policy in Nicaragua it is breaking law after law after law, and here we are talking about international law as well as American law."

Mr. Cordero said that the Nicaraguan government hasn't discussed taking this latest case to an international court.

Earlier in the day, Mr. Meese described the strange series of transactions that routed profits from U.S. arms sales through Israel to the Nicaraguan resistance.

"In the course of the arms transfers — which involved the United States providing the arms to Israel and Israel in turn transferring

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the arms, in effect selling the arms, to representatives of Iran — certain monies which were received in the transaction between representatives of Israel and representatives of Iran were taken and made available to the forces in Central America which are opposing the Sandinista government there," Mr. Meese said.

The attorney general said Israeli representatives "negotiated" the sale of U.S. arms to Iran. The Israeli representatives gave the CIA the amount of money owed for the weapons and the CIA then transferred the money to the Defense Department, Mr. Meese said.

"All governmental funds and all governmental property was accounted for," Mr. Meese said.

"The difference between the money owed to the United States government and the money received from representatives of Iran was then deposited in bank accounts which were under the control of representatives of the forces in Central America," he said.

Mr. Reagan secretly approved the sale of U.S. arms to Iran on Jan. 17, 1986.

The president has said that the arms sale was intended as a gesture of good faith that the United States wanted to foster ties with "moderate factions" in Iran, who in turn could help win the release of Americans held hostage by pro-Iranian terrorists in Beirut.

Mr. Meese initially estimated that between \$10 million and \$30 million from the arms sales was deposited in Swiss bank accounts belonging to Nicaraguan resistance forces.

He said the arms sales to Iran amounted to \$12 million. He said there have been three or four shipments, all brokered by Israel, since January. He said the president learned after the fact that Israel in August or September 1985 had shipped U.S. arms to Iran, which helped win the release of American hostage Benjamin Weir in Beirut.

The president asked Mr. Meese to investigate the details of the arms shipments on Friday, when administration officials were preparing con-

gressional testimony.

"There appeared to be more facts out there than we had already put together," the attorney general said.

Mr. Meese said that because different agencies were involved and "there was very little paperwork" on the secret Iranian operation, the president wanted "to be sure he had all of the information about anything that may have occurred in the course of this whole situation."

Mr. Meese said he told Mr. Reagan about the Contra fund transfers on Monday morning, "as soon as we found out."

Mr. Meese said former National Security Adviser Robert McFarlane, who went on a secret mission to Iran in May on the president's behalf, also learned of the Nicaraguan connection in April or May, several months after he had left the administration.

Mr. McFarlane told reporters in London, where he was on a speech-making trip, that he was told about the funds going to the Contras, "but only after the fact."

"I was in no way involved in the scheme," he added.

"CIA Director [William] Casey, Secretary of State [George] Shultz, Secretary of Defense [Caspar] Weinberger, myself, the other members of the NSC, none of us knew," Mr. Meese said.

Alton Keel, Adm. Poindexter's deputy, will become the president's acting national security adviser.

Mr. Meese said the Justice Department would investigate whether Col. North or others broke the law.

He said there is "no indication" of CIA involvement in the diversion of the surplus funds.

Mr. Meese said information in "one particular document" examined by the Justice Department over the weekend tipped off investigators to a possible transfer of funds to Nicaraguan resistance forces.

Mr. Meese refused to criticize the president for failing to know the full details of the Iranian operation.

"It's not a matter of having a hands-on presidency," he said. "It's making sure that those people who are working for him are following the procedures."

Asked why Adm. Poindexter did not inform the president of the Nicaraguan connection, the attorney general said, "I cannot explain it other than the fact that it happened."